
Corporate Risk Annual Report 2018

Recommendation

That the report of the Chief Financial Officer dated April 8, 2019, be forwarded to City Council for information.

Topic and Purpose

The purpose of this report is to provide an annual update on activities carried out by the Corporate Risk Office in 2018 and to outline key initiatives for 2019.

Report Highlights

1. The Terms of Reference for the Corporate Risk Committee requires that an annual report providing a summary of risk management activities be presented to the Standing Policy Committee on Finance and City Council.
2. Risk management activities have reduced the severity of each key strategic risk, although the Administration's continued effort will be required to achieve targets.

Strategic Goal

The City of Saskatoon's (City) Risk Based Management Program supports the Strategic Goal of Asset and Financial Sustainability by ensuring risk is managed appropriately through the adoption of a systematic, practical and ongoing process for understanding and mitigating risk.

Background

A key component of the Risk Based Management (RBM) Program was the establishment of a Corporate Risk Committee (CRC). The CRC was established in early 2015 with the mandate "...to promote a proactive risk management practice and culture within the City of Saskatoon so as to assist with the achievement of corporate goals through the timely identification and effective treatment of corporate risk."

The CRC is comprised of the Senior Administration (City Manager; General Managers of Community Services, Transportation and Construction, and Utilities and Environment; Chief Financial Officer; Chief Strategy and Transformation Officer; Chief Human Resources Officer; Chief Public Policy and Government Relations Officer; City Solicitor; Fire Chief; Police Chief) and the Corporate Risk Manager.

The Terms of Reference for the CRC requires that an annual report providing a summary of risk management activities be presented to the Standing Policy Committee on Finance and City Council.

Report

Annual Report

The *2018 Corporate Risk Annual Report* (Attachment 1) provides a summary of the following:

- RBM Program, including its principles, framework and process;
- Corporate Risk Office's accomplishments in 2018 as they relate to the RBM Program's two main objectives;
- Key mitigation activities being undertaken to manage each of the City's strategic risks that were identified through the strategic risk assessment; and
- Corporate Risk Office's objectives for 2019.

Reductions in Risk Severity

As a result of current risk management activities, the Administration has successfully reduced the risk severity for each of the City's key strategic risks. Of the 23 risks identified in the strategic risk assessment, the Administration's efforts have reduced the severity of 14 risks from high (i.e. high likelihood, high impact) to medium (i.e. medium likelihood, medium impact). The most significant reductions have been achieved in the following risk areas:

- Future growth of the city and region could be restricted by, or in conflict with, growth in surrounding areas;
- Infrastructure investments may not correspond to growth trends and forecasts for the local or regional economy;
- Total costs of asset ownership may not be considered when making investment decisions;
- Investments in fleet infrastructure may not be adequate to maintain an acceptable condition and level of service; and
- Existing strategies may not be attracting, hiring, managing, developing and retaining top talent to support existing and future operations.

In addition, current risk management activities have reduced risk severity for the following four risk areas to the point that they are currently residing within their target zone:

- Investments in transportation infrastructure may not be adequate to maintain an acceptable condition and level of service;
- Engagement and communications initiatives and opportunities may not be effectively reaching citizens;
- Investments in parks infrastructure may not be adequate to maintain an acceptable condition and level of service; and

- Community education and awareness initiatives regarding carbon footprint may not be affecting change in people's attitudes and behaviors.

Even with this progress, the Administration will continue to work on enhancing their understanding of corporate risks, expanding the risk assessment process throughout the corporation, and implementing additional risk management strategies to further reduce risk severity.

Communication Plan

The *2018 Corporate Risk Annual Report* will ensure that internal and external stakeholders, along with the public, are provided the most accurate and appropriate information regarding the City's ongoing commitment to an RBM Program for the corporation.

Hard copies of the report will be distributed to key stakeholders and a digital version will also be made available on the Corporate Risk webpage on saskatoon.ca.

Due Date for Follow-up and/or Project Completion

There is no due date for follow-up and/or project completion.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Corporate Risk 2018 Annual Report

Report Approval

Written by: Nicole Garman, Corporate Risk Manager

Reviewed by: Kerry Tarasoff, Chief Financial Officer

Approved by: Jeff Jorgenson, City Manager

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